

McCAFFREE & LANDOLL

ATTORNEYS AT LAW

WM. G. McCAFFREE
ERIC M. LANDOLL*
*ALSO ADMITTED IN KANSAS

LEGAL ASSISTANTS:
LISA GREENLEE
DEBBIE HUGHES
TOM ADDINGTON
SHERYL KNOLL

6.#3825 Nv Lincoln Community Nsg Home
Lincoln (Benton County)
\$2,661,077, Cost overrun of \$714,822 on
CON to renovate/modernize LTC facility

15 April 2010

Tom Piper
MO CON Program
Department of Health & Senior Services
P.O. Box 570
Jefferson City, MO 65109
TEL: 573-751-6403
DL: 573-230-5350
FAX: 573-751-7894

CERTIFICATE OF NEED PROGRAM

APR 19 2010

RECEIVED

RE: Lincoln Community Nursing Home renovation & modernization project

Dear Mr. Piper:

This letter is to confirm that I have acted as attorney for the Lincoln Community Nursing Home and in that capacity have conducted the communications and negotiating with the bonding company, Travelers Insurance. I had oversight over the contracting of the completion of the work; had constant contact with the architect, as well as with the administration of the Nursing Home.

This is to certify that I have personally examined the expenditures, check register, and records and receipts, including the periodic progress reports that bring the certification to you to August 28, 2009. This documentation reflects that there was in fact an overrun which is approximately \$714,822. There were some additional professional expenses for bond counsel, local counsel, and a refund to the District that constituted an additional \$86,739.

If further information is needed, please let me know.

Very truly yours,



Wm. G. McCaffree

LINCOLN COMMUNITY NURSING HOME

205 Timberline Drive
Lincoln, MO 65338
TEL: 660-547-3322
FAX: 660-547-3484

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RE: Lincoln Community Nursing Home renovation & modernization project

Dear Mr. Piper:

Enclosed you will find a CON Program Contact Person Correction.

The Lincoln Community Nursing Home wishes to replace the contact person, George Esser, Architect, with their administrator, Donna J. Bowers.

Please accept this as a cost overrun request changing the project amount from \$1,946,244 to \$2,661,077.

Enclosed is a check in the amount of \$714.82 which constitutes one-tenth of one percent of the overrun, which was \$714,822. The reason for this cost overrun is as follows:

During construction Hogan Construction Company, Rolla, Missouri, defaulted, closed their offices, and was nowhere to be found. The Nursing Home engaged in prolonged negotiations with the bonding company, Travelers, and eventually commandeered the unpaid funds to apply to the completion of the job. There have been prolonged confrontations between Travelers and the Nursing Home and its professionals as to the methodology to complete the work.


The Nursing Home obtained the services of a completion contractor, Coil Construction, Sedalia, Missouri, and the work was finished resulting in the cost overrun indicated above. The Nursing Home incurred considerable additional and initially

unforeseen expenses by reason of the default, additional architect fees, assembling, and quantifying work to be completed, prolonged legal disputes and attorney fees in dealing with the problems of the defaulting contractor, the contracts with the completion contractor, and difficulties dealing with the bond company, completion of the job, accounting fees in assembling and quantifying work completed as well as incomplete work.

The work is now complete and the space is licensed.

If you need further information, please let me know.

Very truly yours,



Donna Bowers, Administrator

cc:

Wm. G. McCaffree
McCaffree & Landoll
Attorney at Law
128½ W. Walnut, P.O. Box 244
Nevada, MO 64772
TEL: 417-667-2211
FAX: 417-667-6111



Certificate of Need Program

CONTACT PERSON CORRECTION

Date

04/15/2010

Is the "Contact Person" information below correct? ☒ Yes ☐ No (correct below)

Project Name Lincoln Community Nursing Home Renovation and Modernization of LTC Facility		Project Number 3825NS
Contact Person (Name/Association) George Esser, Architect		Title Architect
Address (Street/City/State/Zip Code) Sedalia, Missouri 65301		
Telephone Number 660 826 1181	Fax Number 660 826 1698	E-mail Address GEsser@SBWE.com

INSTRUCTIONS TO THE APPLICANT:

- According to recent information in the Certificate of Need Records, the individual listed above is the "Contact Person" for this project who will be the primary representative responsible for all monitoring and reporting related to this project.
- If this information is correct, check "Yes" in the box above.
- If this information IS NOT correct, check "No" in the box above, and enter the correct information in the appropriate spaces provided below.
- **In either case, the applicant must sign at the bottom of this form to certify that this response is true and accurate as of the date posted above.**

Please type or print legibly corrected "Contact Person" information below:

Contact Person (Name) Donna J. Bowers		Title Administrator
Address (Street/City/State/Zip Code) 205 Timberline Drive Lincoln, Missouri 65338		
Telephone Number 660 547 3322	Fax Number 660 547 3484	E-mail Address ccnacommnh@embarqmail.com
Applicant (Print or Type Name) Lincoln Community Nursing Home Lincoln, Missouri 65338		
Applicant (Signature) Donna J. Bowers, Administrator		Date 05/15/2010

O 580-1870 (08/06)